

GOP PROPOSAL TO PRIVATIZE SOCIAL SECURITY CUTS BENEFITS BY ALMOST FIFTY PERCENT, HURTING RURAL COMMUNITIES

The Republican privatization proposal hurts everyone, but people in our small towns and rural communities are most at risk, facing a cut in their Social Security benefits by more than 40 percent. This risky privatization plan would endanger retirement benefits for millions of Americans, but the private accounts are unlikely to earn enough to make up for the drastic loss in benefits. Social Security needs a solid source of funding, not a plan that makes the problem worse by draining trillions of dollars from the Trust Fund. This plan leads to future tax increases by forcing America to borrow trillions from foreign countries. Under the Republican proposal, Social Security does not get stronger – it gets weaker.

Social Security is a generational promise to honor our parents. Social Security is an American success story that safeguards Americans' independence and economic security when they get older. Since President Franklin D. Roosevelt signed Social Security into law in 1934, it has improved the lives of millions of seniors, and enabled our country to obey the commandment: "honor thy father and thy mother."

Republicans are advocating Social Security privatization that will hurt everyone, including today's beneficiaries. Privatization would take trillions from Social Security, endangering the benefits of current retirees and people with disabilities and directly cutting benefits by more than 40 percent for future generations -- even those who decide not to set up a private account.

Republican Social Security privatization would hit rural communities especially hard, since rural Americans are older, and more likely to depend on Social Security. In 2001, 20 percent of the rural U.S. population was 60 years old or older, compared to only 15 percent in metropolitan America. Moreover, 13 percent of the rural elderly are poor, compared to only 9 percent in metropolitan America. Social Security is crucial to economic independence of seniors who have worked hard and paid taxes all of their life – providing a progressive benefit that guarantees retirement security.

Rural communities account for more than 90 percent of the counties with higher senior populations (20 percent or more), so protecting guaranteed Social Security benefits is important to these communities.

Republican plan requires trillions in borrowing mostly from foreign countries. The Bush plan would add nearly \$5 trillion dollars to the debt over 20 years, on top of our already record high \$4.3 trillion national debt. This fiscal recklessness is already imposing a debt tax that is thousands of dollars a year on American families. And this plan will further increase the already skyrocketing deficit. That's an immoral burden to place on the next generation that could lead to higher taxes in the future. This rising debt will also force us to borrow even more from foreign countries, including China and Japan. More than 90 percent of new U.S. debt has already been financed by foreign countries since January 2001.

Republicans will cut disability benefits important to rural communities. People in rural communities are more likely to become disabled, as rural workers are more likely to have dangerous occupations and higher rates of injury. More than 20 percent of those in rural areas have a disability. The Republican plan would cut disability benefits, and private accounts would not likely make up for those cuts. That is because workers who become disabled would not have worked long enough to make sufficient contributions to a private account to help support them and their families.

Americans have paid into Social Security for years – and have earned their benefits. Social Security is based on the contributions of millions of workers to ensure that every American can achieve retirement security. Congress should not be allowed to spend Social Security taxes on anything but Social Security benefits. Democrats will fight to protect Social Security and to bolster retirement security by expanding opportunities to save through 401(k), IRA, and other pension options.